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C O N F I D E N T I A L SECTION 01 OF 03 JAKARTA 010298

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DEPARTMENT FOR EAP/MTS

E.O. 12958: DECL: 08/15/2016

TAGS: [PREL](#) [PGOV](#) [ECON](#) [EAID](#) [PARM](#) [KDEM](#) [ID](#)

SUBJECT: INDONESIA WANTS TO ELEVATE BILATERAL RELATIONSHIP
TO "STRATEGIC LEVEL"

Classified By: Amb. B. Lynn Pascoe, for reasons 1.4 (b and d).

¶1. (C) SUMMARY: S/P Director of Policy Planning Dr. Stephen Krasner met on August 11 with Indonesian Foreign Ministry officials for a strategic dialogue on U.S.-Indonesian relations. Led by Secretary General Imron Cotan, the Indonesians stressed their desire to expand and deepen bilateral cooperation and announced Indonesia's decision to elevate the relationship to a strategic level.⁸ Cotan listed maritime security, drug smuggling, piracy, trafficking in persons, proliferation of WMD, illegal logging, natural disaster and pandemic response, and development of a tsunami Early Warning System as potential areas of cooperation. Cotan emphasized the constructive role the United States could play in ensuring the success of Indonesia's nascent democracy, and appealed for more student and cultural exchanges and a streamlining of the visa clearance process.

¶2. (C) Cotan stressed Indonesia's desire for a strong U.S. presence in Southeast Asia to counterbalance the rising influence of China and India, but stressed Indonesia would maintain its tradition of nonalignment. Cotan said Indonesia was ready to work together to interdict vessels in its territorial waters and exclusive economic zone but restated GOI reservations about joining the Proliferation Security Initiative (PSI). He pushed for greater USG engagement to bring an end to the violence in the Middle East, reiterated Indonesia's intention to send peacekeeping forces to Lebanon following an eventual settlement, and made a pitch for considering Indonesia as a candidate for the UN Security Council.

¶3. (U) Per the request of Dr. Krasner, this message summarises the Indonesian views presented during the talks, and was not cleared by him. End Summary

SHARED VALUES AND EXPERIENCES

¶4. (C) Foreign Ministry Secretary General Imron Cotan initiated the policy planning talks by underlining the similarities and shared values between the two countries. Cotan pointed out the United States and Indonesia were the world's second and third largest democracies, respectively, and shared similar experiences as former colonies, secular nations, free market economies, and victims of terrorism with a common interest in combating extremism.

¶5. (C) Cotan said Indonesia hoped to accelerate the pace with which bilateral relations were improving, and pressed for continuing to expand and deepen ties,⁸ a phrase he

attributed to the Foreign Minister and repeated throughout the discussion.

AREAS FOR ASSISTANCE

¶6. (U) Though optimistic about the state of U.S.-Indonesian relations, Cotan cautioned that Indonesia was still in the midst of a democratic consolidation process. The average Indonesian remained skeptical of the GOI,s ability to translate hard earned political freedoms into better lives for its people. In this respect, the United States could help lay the foundation for a stable, long-term partnership by intensifying joint efforts to improve good governance, eradicate corruption, increase and encourage foreign investment and trade, encourage global peace and security, and build the capacity of local governments. Indonesia would also be receptive to suggestions about how it could better position itself for assistance through the Millennium Challenge Account.

¶7. (U) Noting the presence of over a dozen U.S.-educated Ministers in the current GOI cabinet, Cotan emphasized one of the most important contributions the United States could make to the future of Indonesia and U.S.-Indonesian relations was through educational and cultural exchanges. Cotan argued for a more robust program, including U.S.-funded exchanges and scholarships for Indonesian nationals. In addition, Cotan asked the United States to re-evaluate current visa policies for Indonesia and study ways to simplify and expedite the clearance process. He asked that the United States devise a more sophisticated and balanced approach to visitors arriving to the United States with Muslim names. He said Indonesians

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routinely were subjected to unnecessarily harsh treatment upon arrival to the United States, and noted he personally had endured such treatment from U.S. border and security officials.

¶8. (C) Turning to bilateral cooperation on terrorism, Cotan cited the strong partnership between the two countries in support of the Indonesian request for access to Hambali. Cotan asked that the United States reconsider the Indonesian request, which had been steadfastly denied, and grant Indonesian officials at least brief access to him, to allow them to portray the relationship as one of mutual cooperation.

AREAS FOR COOPERATION

¶9. (U) Stressing the significance of resuming bilateral military ties, Cotan eagerly outlined additional areas for cooperation and partnership. He said Indonesia would welcome the opportunity to negotiate an MLAT with the United States, enhance cooperation on extradition issues, conclude a consular notification agreement and create the legal basis for exchanges of prisoners.

¶10. (U) Cotan expressed confidence the United States and Indonesia could continue as partners on terrorism issues. He urged that bilateral cooperation increase in such areas as maritime security; combating drug smuggling, piracy, trafficking in persons, proliferation of WMD and illegal logging; improving natural-disaster and pandemic response and developing an Early Warning System for tsunamis. Addressing specifically the question of trafficking, MFA Director of International Security and Disarmament Hasan Kleib thanked the USG for its continued assistance on trafficking issues and argued Indonesia,s efforts to combat trafficking had not been accurately reflected in the most recent Trafficking in Persons Report for Indonesia (Note: Indonesia was designated as a Tier 2 Watch List country).

¶11. (U) On the subject of economic cooperation, Cotan articulated a desire to conduct an economic dialogue with the

United States. He acknowledged it was important that Indonesia continue to tackle &pervasive corruption⁸ in order to enhance the Indonesian business climate and attract investment; Indonesia hoped the United States would continue to work together with Indonesia to this end. Addressing the issue of international trade, Cotan said the failure of the Doha Round had greatly disappointed Indonesia and would cost the country an estimated \$1.8 billion.

¶12. (C) Cataloguing this extensive list of potential issues for cooperation, Cotan stressed Indonesia,s firm commitment to its traditional nonalignment meant Indonesia could not allow itself to align itself one-sidedly with the United States.

UNILATERAL VERSUS MULTILATERAL AND THE UN

¶13. (C) On Indonesia,s role in Southeast Asia and the world, Cotan said Indonesia preferred to exercise its influence through multilateral and regional fora, using a policy of concentric layers that included institutions and fora such as ASEAN, APEC, the East Asia Summit, NAM, and the United Nations. Noting America,s &unquestioned status as a hegemonic power,⁸ Cotan expressed understanding for America,s tendency to pursue unilateral solutions on some issues but emphasized the hope that the United States would also use its power to build consensus in multilateral fora as well.

¶14. (C) In a discussion about UN reform, Cotan made a pitch for considering Indonesia as a candidate for the UN Security Council. As the world,s largest Muslim country and third largest democracy, Indonesia would be a natural ally for the United States on the UNSC and would seem to merit closer consideration, he suggested.

PROLIFERATION SECURITY INITIATIVE (PSI)

¶15. (C) Responding to U.S. urging that Indonesia join the Proliferation Security Initiative (PSI), Kleib emphasized Indonesia,s reservations about joining initiatives and

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groupings that lay outside multilateral fora, meaning the United Nations and other international organizations that were open to all countries. Joining PSI, with a selective membership, was inconsistent with Indonesia,s longstanding policy of nonalignment. Kleib also alleged weakened U.S. support for international WMD conventions (NPT, BWC and CTBT) in recent years had undercut their effectiveness.

¶16. (C) Taking a different tack, Cotan explained that Indonesia was solely responsible for guarding its own territorial waters and its exclusive economic zone. Australia had interdicted Indonesian ships (mostly fishing vessels) in Indonesian waters (near the island of Roti, west of Timur) some 300 times, thereby sensitizing Indonesia to the negative consequences of international enforcement regimes for the transport of people and goods in its own waters. Indonesia was ready to cooperate with the United States on exchanging intelligence and developing capacity toward interdiction, but independently of PSI and consistent with Indonesia,s archipelagic character. Indonesia,s strong stance on nonproliferation was evidence of its commitment to PSI objectives.

THE MIDDLE EAST

¶17. (U) On the Middle East, Cotan said the GOI supported a two-state solution with Israel and Palestine living side-by-side in peace within internationally recognized borders, and urged a more assertive role by the United States in bringing hostilities between Israel and Hezbollah to a

close. Noting the outpouring of support in Indonesia for the plight of Muslims in Lebanon and Palestine, Cotan said the situation had radicalized the public discourse in Indonesia and had momentarily given militant groups an upper hand. Cotan appealed for a more balanced approach by the United States to the Palestinian and Lebanese problems, rather than what was perceived to be one-sided support for Israel, to help Indonesia contain Islamic extremism.

¶18. (U) Cotan reiterated Indonesia,s publicly announced plans to mobilize an Indonesian peacekeeping battalion that could be dispatched to the Middle East as soon as needed. Cotan stressed Indonesia could contribute such a force only under Chapter Six of the UN Chapter.

¶19. (U) U.S. Participants:

S/P Director Dr. Stephen Krasner
Ambassador B. Lynn Pascoe
Acting Political Counselor Daniel Turnbull
Embassy Notetakers: Eric Kneedler and Michael Turner

Indonesian Participants:

MFA Secretary General Imron Cotan
MFA Deputy Director General of Policy Planning and
Development Suprpto Martosetomo
MFA Director of North American Affairs Harry Parwanto
MFA Director of International Security and Disarmament Hasan
Kleib
MFA Director of International Treaties Arif Hava Oegroseno
MFA Director of the Center for Policy and Planning
Development - American and European Region Sjahril Sabaruddin
Political Counselor to the Indonesian Embassy to the U.S.
Arko Hananto Budiadi
Notetakers

PASCOE